

Introduced by Senator Walters

May 3, 2010

Senate Constitutional Amendment No. 31—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending subdivision (a) of Section 2 of Article XIII A thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 31, as introduced, Walters. Property taxation: intercounty base year value transfers.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to provide that a severely disabled person and a person over 55 years of age may transfer the base year value, as defined, of property that is eligible for the homeowners’ property tax exemption to a replacement dwelling that is of equal or lesser value located within the same county as the property from which the base year value is transferred, and if a county ordinance so providing has been adopted, to a replacement dwelling that is located in a different county.

This measure would authorize the Legislature to require by statute that, for persons over the age of 65 years, the provisions relating to transfer of base year value also apply to situations in which the original property and the replacement dwelling are located in different counties.

This measure would limit this authority to intercounty transfers of base year value that occur on or after January 1, 2011.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2009–10 Regular
3 Session commencing on the first day of December 2008, two-thirds
4 of the membership of each house concurring, hereby proposes to
5 the people of the State of California, that the Constitution of the
6 State be amended as follows:

7 First—That subdivision (a) of Section 2 of Article XIII A thereof
8 is amended to read:

9 (a) (1) The “full cash value” means the county assessor’s
10 valuation of real property as shown on the 1975–76 tax bill under
11 “full cash value” or, thereafter, the appraised value of real property
12 when purchased, newly constructed, or a change in ownership has
13 occurred after the 1975 assessment. All real property not already
14 assessed up to the 1975–76 full cash value may be reassessed to
15 reflect that valuation. For purposes of this section, “newly
16 constructed” does not include real property that is reconstructed
17 after a disaster, as declared by the Governor, where the fair market
18 value of the real property, as reconstructed, is comparable to its
19 fair market value prior to the disaster. Also, the term “newly
20 constructed” does not include the portion of reconstruction or
21 improvement to a structure, constructed of unreinforced masonry
22 bearing wall construction, necessary to comply with any local
23 ordinance relating to seismic safety during the first 15 years
24 following that reconstruction or improvement.

25 ~~However~~

26 (2) *For purposes of paragraph (1),* the Legislature may provide
27 that, under appropriate circumstances and pursuant to definitions
28 and procedures established by the Legislature, any person over the
29 age of 55 years who resides in property that is eligible for the
30 homeowner’s exemption under subdivision (k) of Section 3 of
31 Article XIII and any implementing legislation may transfer the
32 base year value of the property entitled to exemption, with the
33 adjustments authorized by subdivision (b), to any replacement
34 dwelling of equal or lesser value located within the same county
35 and purchased or newly constructed by that person as his or her

1 principal residence within two years of the sale of the original
2 property. ~~For~~

3 (3) *For* purposes of this section, “any person over the age of 55
4 years” includes a married couple one member of which is over the
5 age of 55 years. For purposes of this section, “replacement
6 dwelling” means a building, structure, or other shelter constituting
7 a place of abode, whether real property or personal property, and
8 any land on which it may be situated. For purposes of this section,
9 a two-dwelling unit shall be considered as two separate
10 single-family dwellings. This paragraph shall apply to any
11 replacement dwelling that was purchased or newly constructed on
12 or after November 5, 1986.

13 ~~In~~
14 (4) *In* addition, the Legislature may ~~authorize~~ *do both of the*
15 *following:*

16 (A) *Authorize* each county board of supervisors, after
17 consultation with the local affected agencies within the county’s
18 boundaries, to adopt an ordinance making the provisions of this
19 subdivision relating to transfer of base year value also applicable
20 to situations in which the replacement dwellings are located in that
21 county and the original properties are located in another county
22 within this State. For purposes of this paragraph, “local affected
23 agency” means any city, special district, school district, or
24 community college district that receives an annual property tax
25 revenue allocation. This paragraph shall apply to any replacement
26 dwelling that was purchased or newly constructed on or after the
27 date the county adopted the provisions of this subdivision relating
28 to transfer of base year value, but shall not apply to any
29 replacement dwelling that was purchased or newly constructed
30 before November 9, 1988.

31 (B) *Require by statute that, for persons over the age of 65 years,*
32 *the provisions of this subdivision relating to transfer of base year*
33 *value also apply to transfers in which the original property and*
34 *the replacement dwelling are located in different counties. This*
35 *subparagraph shall only apply to intercounty transfers of base*
36 *year value that occur on or after January 1, 2011.*

37 ~~The~~
38 (5) *The* Legislature may extend the provisions of this subdivision
39 relating to the transfer of base year values from original properties
40 to replacement dwellings of homeowners over the age of 55 years

- 1 to severely disabled homeowners, but only with respect to those
- 2 replacement dwellings purchased or newly constructed on or after
- 3 the effective date of this paragraph.

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